GOVERNMENT OF INDIA
AGRICULTURE
LOK SABHA

UNSTARRED QUESTION NO:1698
ANSWERED ON:02.08.2001
NATIONAL AGRICULTURAL INSURANCE SCHEME
CHINTAMAN NAVSHA WANAGA

Will the Minister of AGRICULTURE be pleased to state:

(a) whether National Agricultural Insurance Scheme is implemented by the Government;

(b) if so, the details thereof;

(c) whether any representation is received by the Government to reduce the premium rate for sugarcane crop; and

(d) if so, the action taken/proposed to be taken by the Government in this regard?

Answer

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE (SHRI SHRIPAD Y. NAIK)

(a)&(b): Yes Sir. National Agricultural Insurance Scheme (NAIS) is implemented in thecountry from rabi 1999-2000. The scheme is voluntary for the States/Union Territories and has larger scope of coverage in terms of farmers, crops and risk. The details are annexed.

(c): Yes Sir, State Government of Maharashtra has submitted a representation for reduction in the premium rate of sugarcane crop.

(d): On annual horticultural/commercial crops including sugarcane actuarial premium rates are charged. These rates are worked out by the Implementing Agency based on actuarial method of premium calculation. The same is being communicated to the State Government of Maharashtra.

Annexure

Salient Features of National Agricultural Insurance Scheme (NAIS)

The Government have introduced NAIS from Rabi 1999-2000 season to widen the scope and contents of Crop Insurance Scheme:

- Scheme is available to all farmers − loanee and non-loanee both- irrespective of their size of holding.

- Compulsory for loanee farmers and optional for non-loanee farmers.

- Sum-insured may extend to the value of threshold yield of the area insured.

- Coverage of all food crops (cereals, millets & pulses), oilseeds and annual commercial/horticultural crops in respect of which past yield data is available for adequate number of years.

- Among the annual commercial/horticultural crops, seven crops namely cotton, sugarcane, potato, chillies, ginger, onion and turmeric are presently covered.

- Premium rates are 3.5% for bajra and oilseeds, and 2.5% for other Kharifcrops; 1.5% for wheat, and 2% for other rabi crops. In case the rates worked out on the basis of actuarial data are less than the prescribed premium rate, the lower rate will be applicable.

- In case of annual commercial/horticultural crops, actuarial rates are charged.

- Small and marginal farmers are provided subsidy of 50% of the premium charged from them. The subsidy will be phased out over a

period of 5 years on sunset basis.

- To implement NAIS at lower unit of insurance i.e. Gram Panchayat.

- It is proposed to set up a separate agency for implementation of NAIS.